

CHILE:

A good short analysis of the situation there, from what appears to be a self-confident and sophisticated [redacted]

CH/Lr

6 June 1977

(rec'd 24 June)

Dear [redacted]

I welcome the opportunity [redacted] to pass directly to you my candid perceptions of events in Chile as they relate to U.S. interests, and to share with you our significant operational achievements and frustrations.

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Political dynamics in Chile: The military Junta under President Augusto Pinochet is well into its fourth year of power, and the current issues are (a) when will the military return to the barracks, and (b) what kind of institutional legacy they will leave behind them. The Junta is determined not to return to the status quo ante--a system that permitted the Marxists to take power with a minority vote--and the majority of the public appears to be with them on this issue. I believe the military exodus is still several years away, and that the new constitution being drafted will provide for a very strong executive, with the legislature being confined to an advisory role, and with the Marxists being dealt out of the electoral process.

The Junta has completely restored internal security, albeit with tactics that have made Chile an international pariah due to human rights abuses. The economy is slowly but steadily responding to the harsh austerity measures instituted by the Junta, and all economic signs are upbeat for this year assuming that the price of copper remains high. Although the Junta still enjoys impressive public support, signs of fatigue are setting in. We have reports of serious bickering within the Junta over Pinochet's attempts to increase his powers at the others' expense, and the Navy and Air Force are disgruntled that Pinochet is stacking the Government with Army officers. Pressure is also slowly building among opposition elements--the Christian Democrats and the Church primarily--for a return to civilian rule; similar signals are being received here out of Washington, and it is not lost on Pinochet that several military governments in neighboring countries are girding for a return to civilian rule. If the pressure keeps mounting, it is quite possible that Pinochet will respond by laying out a timetable in his fourth anniversary speech on 11 September. We will be following this policy issue closely.

Internationally, Chile's relations with Peru are friendly on the surface, but with the recent acquisition of Soviet hardware, Peru now has an overwhelming military superiority over Chile. The latter, cut off from U. S. military assistance and having procurement problems elsewhere due to its human rights image, is seriously concerned that Peru will attempt to revenge its defeat by Chile in the War of the Pacific (1879-83). This fear also gives the U.S. its best leverage with Chile for forcing human rights improvements.

Chile's relations with the U.S. boils down to one issue--human rights. The Junta was confident that they would be treated as heroes by the U.S. after toppling Allende's Marxist Government, but they were out of synch with the evolution of U.S. foreign policy from anti-Communism at any cost to a predominant concern for human rights. The Junta in turn has been baffled, hurt, and then angered by the U.S. attitude toward human rights; they feel themselves the victims of a hypercritical

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standard, and that the U.S. has been taken in by the massive international Communist propaganda campaign against the Junta. However, the Junta has grudgingly made concessions to world opinion by releasing all political prisoners (save one), and human rights violations have dropped to a trickle. Nevertheless, the "image gap" remains, especially since the repressive institutions are still intact, and relations with the U.S. remain strained. As an example, all senior Chilean Government officials boycotted Ambassador Popper's farewell reception last month.

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[REDACTED]

[REDACTED]

[REDACTED]

Finally, on behalf of [REDACTED] you can be assured of our unstinting dedication to the legitimate goals of the Agency, and of our fullest efforts to assist you in carrying out your demanding responsibilities.

Sincerely,

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